



Oconto County Economic Development Corporation

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What is the Micro Loan Program?

The Micro Loan Program is an Oconto County Economic Development Corporation financing program designed to provide loans to new or growing businesses in Oconto County. The program was created to financially assist small businesses that have difficulty accessing traditional financing.

Who is Eligible?

Any for-profit business located in Oconto County is eligible. Each applicant is expected to have good character, strong commitment to their business idea, signs of feasibility and economic viability, and a credit history to suggest a reasonable assurance that the loan will be repaid. The applicant should have some management skills or relevant industry experience to support the project's purpose. Eligible applicants cannot have annual sales over \$1,000,000 each year of the past two years and must have fewer than 25 employees. Matching funds of at least 25% of the total project cost are required.

Use of Funds

Loan funds can be used for working capital, inventory purchases, machinery and equipment, furniture, fixtures, supplies, leasehold improvements, building renovation/rehabilitation, real estate acquisition, exterior or façade improvements, and natural disaster recovery.

Loan Information

Loan Amount - Loan amounts are subject to the availability of program funds; with a minimum loan of \$1,000 and maximum loan of \$10,000.

Interest Rate - The interest rate is 3.0% fixed interest rate for the term of the loan.

Term – The term is determined by the Loan Committee, but will not exceed five years.

Repayment – A monthly amortization and repayment schedule of interest and principal will be developed.

Prepayment - There will be no prepayment penalties.

Collateral – Collateral is required and will usually take the form of a security interest in all of the applicant's unencumbered assets. Real estate, equipment, inventory, and receivables are common assets pledged.

Micro Loan Application

Applications may be submitted at any time and will be processed in the order received. Your application should include the following items:

Application Form- Information on the project itself (sources and uses of funds), a documentation of need, etc.

Business Plan - Includes company information, history, project summary, and a discussion of the business industry, sales, markets and competition.

Information on Management - Résumés and personal financial statements of management.

Financial History – Two years of historical financial statements (profit and loss and balance sheets) and/or personal tax returns.

Financial Projections - Balance sheet/profit and loss statement projections for two years from date of application.

Verification of Private Funds - Documentation verifying private funds being used for the project.

Review Process -The loan application review will include the following steps:

Preliminary Review – Paul Ehrfurth, OCEDC Executive Director, will review the application for completeness and eligibility.

Formal Review - The OCEDC Micro Loan Committee will formally review all applications, and if appropriate, make a recommendation to the Oconto County Economic Development Corporation Board of Directors for consideration and final approval of the loan.

Time Frame – Every effort will be made to expedite the review and approval process; however, applicants should expect the process to take approximately 30-60 days from application to approval.

For more information contact:

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